

1 **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2 In the Matter of the Mortgage Broker License of:

No. 10F-BD120-SBD

3 **SUPERSTITION FUNDING, LLC and**
4 **DANIEL R. PERO, MEMBER**
2855 E. Brown Rd., Suite #19
Mesa, AZ 85213

**ORDER OF SUMMARY SUSPENSION
AND NOTICE OF OPPORTUNITY FOR
HEARING**

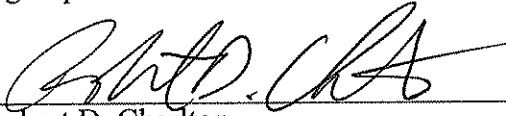
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6 Respondents.

7 The Arizona Department of Financial Institutions (the "Department") hereby finds that
8 Superstition Funding, LLC and Daniel R. Pero, Member, ("Respondents") have violated the
9 provisions of the Arizona Revised Statutes ("A.R.S."), Title 6 as set forth below and finds that the
10 public health, safety and welfare require emergency action pursuant to A.R.S. §§ 6-905 and 41-
11 1092.11(B).

12 **THEREFORE, IT IS ORDERED** to summarily suspend the Arizona mortgage broker
13 license held by Respondents. **This suspension is effective immediately.**

14 EFFECTIVE this 1st day of March, 2010.

15 Thomas L. Wood
16 Acting Superintendent of Financial Institutions

17 By 
18 Robert D. Charlton
Assistant Superintendent of Financial Institutions

19
20 PLEASE TAKE NOTICE that, pursuant to Titles 6 and 41 of the Arizona Revised Statutes
21 and Title 20, Chapter 4 of the Arizona Administrative Code ("A.A.C."), Respondents are hereby
22 notified that they are entitled to a hearing to contest the allegations set forth in this Order. The
23 Request for Hearing shall be filed with the Arizona Department of Financial Institutions (the
24 "Department") pursuant to A.R.S. § 6-137(D) within **thirty (30) days** of service of this Order and
25 shall identify with specificity the action or order for which review is sought in accordance with
26 A.R.S. § 41-1092.03(B).

1 Pursuant to A.R.S. §§ 41-1092.01(D) and 41-1092.03(B), any person may appear on his or
2 her own behalf or by counsel. If Respondents is represented by counsel, the information required by
3 A.R.S. § 41-1092.03(B) shall be included in the Request for Hearing. Upon the filing of a Request
4 for Hearing, the Department shall issue a Notice of Hearing scheduling the matter for hearing in
5 accordance with A.R.S. § 41-1092.05. **Persons with disabilities may request reasonable**
6 **accommodations such as interpreters, alternative formats, or assistance with physical**
7 **accessibility.** Requests for special accommodations must be made as early as possible to allow time
8 to arrange the accommodations. If accommodations are required, call the Office of Administrative
9 Hearings at (602) 542-9826.

10 Respondents have the right to request an Informal Settlement Conference, pursuant to A.R.S.
11 § 41-1092.06, by filing a written request no later than **twenty (20) days** before the scheduled
12 hearing. The conference will be held within **fifteen (15) days** after receipt of your request. If an
13 Informal Settlement Conference is requested, a person with the authority to act on behalf of the
14 Department will be present (the "Department Representative"). Please note that in requesting an
15 Informal Settlement Conference, Respondents waive any right to object to the participation of the
16 Department Representative in the final administrative decision of this matter, if it is not settled. In
17 addition, any written or oral statement made by Respondents at such informal settlement conference,
18 including written documentation created or expressed solely for purposes of settlement negotiations,
19 are inadmissible in any subsequent administrative hearing. (See A.R.S. § 41-1092.06 for rules
20 regarding informal settlement conferences.) Conversely, any written or oral statement made by
21 Respondents outside an Informal Settlement Conference is not barred from being admitted by the
22 Department in any subsequent hearing.

23 If Respondents do not request a hearing, this Order shall become final. If Respondents
24 request a hearing, the purpose of the hearing shall be to determine if grounds exist for: (1) the
25 issuance of an order pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the
26 violative conduct and to take the appropriate affirmative actions, within a reasonable period of time

1 prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts,
2 practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-
3 132; (3) the suspension or revocation of Respondent's license pursuant to A.R.S. § 6-905; (4) an
4 order to pay restitution of any fees earned on loans made in violation of A.R.S. §§ 6-901, *et seq.*,
5 pursuant to A.R.S. §§ 6-131(A)(3) and 6-137; and (5) an order or any other remedy necessary or
6 proper for the enforcement of statutes and rules regulating mortgage brokers pursuant to A.R.S. §§
7 6-123 and 6-131.

8 FINDINGS

9 1. Respondent Superstition Funding, LLC is an Arizona Limited Liability Company
10 authorized to transact business in Arizona as a mortgage broker, license number MB 0909009,
11 within the meaning of A.R.S. §§ 6-901, *et seq.* The nature of Superstition Funding, LLC's business
12 is that of making, negotiating, or offering to make or negotiate loans secured by Arizona real
13 property, within the meaning of A.R.S. § 6-901(11).

14 2. Pursuant to A.R.S. § 6-903(J), Respondents are required to have a surety bond in the
15 amount set forth in A.R.S. § 6-903(K), or an alternative as set forth in A.R.S. § 6-903(M).

16 3. On November 12, 2009, the Department received notification from Great American
17 Insurance Company stating that Superstition Funding, LLC's surety bond, number FS7615687 in the
18 amount of \$50,000.00, was to be cancelled effective December 15, 2009.

19 4. On November 19, 2009, the Department sent an email to Respondents, to the email
20 address on record with the Department, informing them of the bond cancellation. The Department
21 also sent notification regarding the bond cancellation to Superstition Funding, LLC via the
22 Nationwide Mortgage License System.

23 5. On November 19, 2009, the Department received an email from Dan Pero stating
24 "We are in the present position of changing Bond Agencies, and will be able to update the file
25 shortly."

26 6. Respondents failed to provide documentation regarding the reinstatement of their

1 bond or documentation of a new surety bond.

2 7. Respondents do not have the required surety bond in order to conduct business as a
3 mortgage broker.

4 8. The conduct described above constitutes an immediate threat to the public health,
5 safety, and welfare warranting immediate suspension of Respondent's mortgage broker license.

6 9. The conduct described above constitutes grounds for the suspension of Respondent's
7 mortgage broker license.

8 LAW

9 1. Pursuant to A.R.S. Title 6, Chapter 9, the Superintendent has the authority and duty to
10 regulate all persons engaged in the mortgage broker business and with the enforcement of statutes,
11 rules, and regulations relating to mortgage brokers.

12 2. By the conduct set forth in the Findings, Respondents have failed to maintain the
13 surety bond required by A.R.S § 6-903(J).

14 3. Pursuant to A.R.S. §§ 6-905 and 41-1092.11(B), the conduct described above
15 constitutes an immediate threat to the public health, safety and welfare warranting immediate
16 suspension of Respondent's mortgage broker license.

17 4. Respondents have not conducted business in accordance with the law and have
18 violated Title 6, Chapter 9, which constitutes grounds for the suspension or revocation of
19 Respondent's license pursuant to A.R.S. § 6-905(A)(3).

20 5. The violations, set forth above, constitute grounds for the pursuit of any other remedy
21 necessary or proper for the enforcement of statutes and rules regulating mortgage brokers in Arizona
22 pursuant to A.R.S. §§ 6-123 and 6-131.


23 6. Pursuant to A.R.S. § 6-132, Respondent's violations of the aforementioned statutes
24 are grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation
25 for each day.

26 WHEREFORE, if Respondents do not request a hearing to contest the above Findings or

1 produce evidence of a valid surety bond, Respondent's license shall remain suspended unless, and
2 until reinstated or until said license expires by operation of law.

3 DATED this 1st day of March, 2010.

4 Thomas L. Wood
Acting Superintendent of Financial Institutions

5
6 By 
7 Robert D. Charlton
Assistant Superintendent of Financial Institutions

8
9 ORIGINAL of the foregoing filed this 1st
10 day of March, 2010, in the office of:

11 Thomas L. Wood
12 Acting Superintendent of Financial Institutions
13 Arizona Department of Financial Institutions
ATTN: Susan Longo
2910 N. 44th Street, Suite 310
Phoenix, AZ 85018

14 COPY mailed/delivered same date to:

15 Craig A. Raby
16 Assistant Attorney General
17 Attorney General's Office
1275 West Washington
18 Phoenix, AZ 85007

19 Richard Fergus, Licensing Division Manager
20 Robert D. Charlton, Assistant Superintendent
Arizona Department of Financial Institutions
2910 N. 44th Street, Suite 310
21 Phoenix, AZ 85018

22 AND COPY MAILED SAME DATE, by
23 Certified Mail, Return Receipt Requested to:

24 Superstition Funding, LLC
Attention: Daniel R. Pero, Member
2855 E. Brown Rd., Suite #19
25 Mesa, AZ 85213
26 Respondents

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Daniel R. Pero, Statutory Agent
Superstition Funding, LLC
2929 E. Ivy St.
Mesa, AZ 85213

By: *Susan Longo*